

C O P Y

Dec 1 1954

MEMORANDUM FOR: Inspector General

SUBJECT: Proposed Personnel Legislation

1. Our legislative requirements have been reviewed in this Office and at a conference of representatives of this Office and the Foreign Affairs Task Force of the White House (DuFlon Task Force). A summary of our legislative requirements, and proposals on similar subjects being considered by the DuFlon Task Force, is attached for your information.

2. In view of the fact that the DuFlon Task Force is considering and proposing legislation which appears to meet our requirements for overseas medical care, home leave and educational allowances, consideration should be given to supporting their proposals as fully as possible.

3. The proposals of the DuFlon Task Force and the Kaplan group do not meet our proposal for an accelerated retirement system; however, the proposed increase of retirement annuity from  $1\frac{1}{2}$  to 2 percent for overseas and hardship service is an improvement. It is considered that the best course of action, in this case, is to withhold our proposal pending further reaction of the Administration and the Congress to changes in the current retirement policy.

4. Since the DuFlon Task Force is deferring to the Department of Defense and the Bureau of the Budget on the subject of permanent legislation in the "missing persons" area, it is considered that it would be desirable to join with the Department of Defense in support of such a proposal.

/s/  
Harrison G. Reynolds  
Assistant Director for Personnel

Attachment

C O P Y

CIA PROPOSAL	DuFLON PROPOSAL	COURSES OF ACTION
1. <u>Educational allowances</u> : To obtain authority for allowance to defray part of the additional expense of providing for education for minor dependents of employees serving overseas who are not indigenous to the overseas area.	1. Omnibus bill covering allowances and differentials for all U.S. citizens overseas; includes educational allowance. (Overseas Allowances Act of 1955, as proposed.)	1. Independent action by CIA to seek specific feature indicated, OR support of the Overseas Allowances Act of 1955. Latter alternative recommended.
2. <u>Home leave</u> : To obtain home leave benefits similar to those of Foreign Service for Agency employees.	2. Extension of home leave benefits to all personnel not covered by Foreign Service Act of 1946.	2. Independent action by CIA to obtain benefit, OR support of general amendment. Latter alternative recommended.
3. <u>Liberalized civil service retirement</u> : To obtain accelerated retirement credits for employees for periods of overseas service in order to permit retirement at an earlier age than under regular civil service retirement.	3. Pertinent feature of proposals provides for a 2% increase in annuity for each year of service overseas for employee who serves a minimum of 10 years overseas; would not lower retirement age.	3. Independent action by CIA to obtain Agency-recommended benefit AND support of DuFlon proposal. Probability is that DuFlon proposal will receive more favorable treatment.
4. <u>Medical benefits of employees and dependents overseas</u> : To obtain additional medical and hospitalization benefits for employees and dependents as required by reason of exposure to additional hazards overseas.	4. Two alternatives presented for Cabinet consideration. Both would provide for relief to employees in foreign areas and in certain territories and possessions in hospitalization of selves and dependents.	4. Independent action by CIA to obtain benefit, OR support of proposed Medical Benefits Bill. Latter alternative recommended.
5. <u>Missing Persons legislation</u> : Current legislation was considered satisfactory but had been renewed for only one year. Permanent legislation of similar nature desired.	5. Generally supporting Department of Defense proposal for permanent legislation. Has not made new proposal.	5. Join with Department of Defense in seeking permanent legislation.

NOTE: Draft bills covering items 1, 2, and 4 have been received for review. In general, they are more liberal than Agency proposals; however, some reduction of benefits can be anticipated before enactment.